Interest on HBA of Government employees

1697. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to introduce floating rate of interest on existing and new house building and motor car advances of Government employees where recovery of interest has not commenced;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) Does not arise.

(c) The interest of Government as well as Government employees is adequately met by the present system, where the interest rates are revised annually and remain fixed during the maturity of the loan.

Non-acceptance of bank guarantees

1698. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that despite RBI's directive certain agencies of the Government are not accepting irrevocable bank guarantees on par with letter of credit for extending benefits;

(b) whether RBI has directed that for the purpose of extending benefits, however no distinction may be made between bank guarantee and letter of credit as both are treated as securities for receivables;

(c) whether Government have clearly instructed DGFT to follow the RBI directives;

(d) if not, the reasons therefor; and

(e) the steps being taken to remove this anomaly?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (e) The information is being collected and will be laid on the Table of the House to the extent possible.